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C O N F I D E N T I A L SECTION 01 OF 06 KUALA LUMPUR 000090

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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [KISL](#) [MY](#)  
SUBJECT: ABDULLAH CALLS FOR SNAP ELECTIONS; A PRIMER FOR  
THE POLLS

REF: A. 07 KUALA LUMPUR 1647 - ETHNIC INDIANS PROTEST  
[1](#)B. 07 KUALA LUMPUR 950 - ANWAR STRUGGLES FOR  
RELEVANCE

KUALA LUMP 00000090 001.2 OF 006

Classified By: Political Section Chief Mark D. Clark  
for reasons 1.4 (b, d).

[1](#)1. (C) Summary: Prime Minister Abdullah Badawi announced the dissolution of Malaysia's Parliament on February 13 and called for snap elections, a fully expected move, but one that came a year before elections were required under the constitution. Malaysia's Election Commission (EC) will announce on February 14 the nomination and polling dates. This year's polling date could be set as early as March 1, a mere 17 days from the dissolution of Parliament with a window of only 10 days for active campaigning. Approximately 7.6 million voters are expected to cast their ballots, electing all 222 members of Parliament, as well as 505 State Assembly members from 12 of 13 states. Malaysia's ruling coalition, the National Front (Barisan Nasional or BN), faces a challenge from markedly increased dissatisfaction in Chinese and Indian communities. The crown jewel of this election remains the fight for the state of Kelantan, where the National Front and PM Abdullah's United Malays National Organization (UMNO) will try to wrest control from the conservative Islamic Party of Malaysia (PAS). Anwar Ibrahim's People's Justice Party (PKR) and the Chinese dominated Democratic Action Party (DAP) will focus on the states of Penang, Perak, and Sabah, while PAS will also focus its efforts on regaining lost seats in Terengganu. Opposition parties are expected to garner some 40 to 45 percent of the popular vote, but actual gained seats may in fact be modest. Political gerrymandering, control over the mainstream media, and the financial and institutional power of 50 years of incumbency will ensure the National Front's success at the ballot box even in the face of increased opposition votes. The significance of the 12th General Election does not rest with the widely anticipated victory of UMNO and the National Front. Instead, observers will look to the margin of victory as well as the minority vote, factors that have implications for Prime Minister Abdullah's strength as a government and UMNO leader in a second term, and the future viability of Malaysia's inter-ethnic status quo. In the short-term, however, the National Front's expected triumph will offer more continuity than change to Malaysia.

End Summary.

## Rapid Timeline for Elections

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12. (SBU) Prime Minister Abdullah Ahmad Badawi announced the dissolution of Parliament on February 13 and officially set the wheels in motion for Malaysia's 12th General Election. On February 14, the EC will meet to officially set the date for nomination of candidates, the official campaign period, and the nation-wide polling date. Recent election timelines indicate this year's polling date will likely be set for March 1 or 2, a mere 17 days from the dissolution of Parliament with a window of only 10 days for active campaigning. Consistent with previous election tallying, official results are generally known within two to three hours of the polls closing. The Prime Minister is expected to announce a new Cabinet within one to two weeks following the polls. There is no official date for the new parliament to sit, but in 2004 the 11th Parliament sat approximately 6 weeks after Election Day. We expect the 12th Parliament to follow a similar schedule.

## The Voters

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13. (U) The EC gazetted the 2007 Master Electoral Roll on February 5, 2008, showing 10,922,139 registered voters. The 2007 roll is expected to be the final revision prior to the election, and under current law, cannot be challenged after the polls have been held. Based on past elections, nation-wide voter turn out is expected to hover around 70 percent (or approximately 7.6 million voters), but heavily contested areas in 2004 showed voter turn outs as high as 91 percent in the state of Terengganu. Of the 10.9 million voters in Malaysia, 84.2 percent reside on the Peninsula, while the other 15.8 percent reside in East Malaysia (broken down by 912,454 voters in Sarawak and 807,862 in Sabah). A recent survey by the Election Commission showed that some 80 percent of voters no longer live in the district in which they are registered. Since only Malaysian students studying

KUALA LUMP 00000090 002.2 OF 006

abroad, government officials, police and military personnel are authorized to vote via postal or absentee ballot, the nation expects to see large numbers of travelers on or before Election Day.

## Who's on the Ballot

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14. (U) As has been the case for four decades, voters will choose only Members of Parliament (Ahli Dewan Rakyat) and State Assembly members. Senators (Ahli Dewan Negara) are not elected but are appointed and therefore will not stand for office in the general election. Similarly, Malaysia has not held elections for municipal offices since 1965, and all municipal positions continue to be filled by appointment only. All 222 seats of the federal Parliament must stand for election. An increase in population in the East Malaysian state of Sarawak has prompted the government to enlarge the size of Parliament, and in the 12th General Election, there will be three additional seats proportioned to Sarawak, increasing the size of the Parliament from its current 219 seats to 222 seats. State Assembly elections will take place in 12 of Malaysia's 13 states. Only Sarawak's State Assembly is in a different election cycle-- a hold over from Sarawak's later entry into the Federation.

## Who Wins?

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15. (SBU) Under Malaysia's "first past the post", or "winner take all system", the top vote getter in each State Assembly or Parliamentary district captures the seat. There is no run-off system to limit the field nor is there a requirement

to win an absolute majority. Under these conditions, the National Front coalition chooses only one candidate from among its 14 component parties to stand for each seat. In general practice the opposition parties attempt to compromise on seat allocations and run only one opposition candidate in each district. However, because the opposition parties do not always agree on which party would have a better chance against the National Front candidate, there are often instances of three or more candidates vying for the same seat, an event known locally as a "three cornered fight". Such contests generally guarantee the National Front candidate will capture a plurality and win the seat.

#### National Parliament -- Maintaining 2/3 Majority

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¶6. (SBU) Of principal concern to the National Front coalition is the ability to control a two-thirds majority in Parliament. While most ordinary legislation requires only a simple majority to pass, constitutional amendments can be passed, with or without the consent of the King, with a two-thirds majority in Parliament. This is an important tool of the ruling government as in its short 50 year history, Malaysia's constitution has been amended some 52 times and almost always over the objections of the opposition. Maintaining a two-thirds majority in Parliament is the highest priority for the National Front coalition. To maintain its two-thirds majority in the 12th General Election, the National Front will need to win 148 out of 222 seats. (Note: In the 2004 (11th General) Election, there were 219 parliamentary seats at stake and the National Front captured 199 of those seats, or 91 percent. End Note.)

#### Malay Majority Vote

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¶7. (SBU) The coalition's dominant United Malays National Organization (UMNO) commands significant but not unchallenged support of the country's ethnic Malay majority. UMNO is highly organized, enjoys vastly superior funding compared with any opposition party, and benefits from 50 years of incumbency as the leader of government. The Islamic Party of Malaysia (PAS) poses the largest challenge to UMNO for ethnic Malay votes. In 2004 UMNO garnered 2.48 million votes to PAS' 1.05 million votes, figures that do not disaggregate ethnic Malay and non-Malay votes or the number of seats contested but nevertheless demonstrate that UMNO clearly is in the driver's seat. Malaysia's first past the post system and politically gerrymandered districts further reinforce UMNO's electoral dominance over PAS, in addition to many other factors that favor the incumbent BN. In 2008, it does not appear that many UMNO parliamentary or state assembly seats are at risk. UMNO, however, cannot take its position

KUALA LUMP 00000090 003.2 OF 006

completely for granted and national vote totals mask UMNO's small margin of victory in many contests. In 1999, BN candidates (including UMNO) received only 48.5 percent of votes in heavily Malay areas, with BN improving its record to 59 percent in 2004. In the "Malay Belt" of Perlis, Kedah, Terengganu and Kelantan, PAS took in 56 percent of the votes in 1999, dropping to 45 percent in 2004.

¶8. (SBU) Such is UMNO's current confidence that one UMNO vice president recently commented to the press that "we don't need the Indians or the Chinese" to win the election. Given that in 2004 UMNO garnered roughly a third of the vote, its non-Malay partners took another third, and the opposition accounted for the remaining third, such a statement may not be altogether accurate. Since independence, UMNO's critical advantage has been its ability to maintain a solid coalition with ethnic Chinese and also Indian voters. Nevertheless, in the current Parliament UMNO alone controls 110 of the coalition's 199 total seats, and many seats held by other coalition members were indisputably dominated by Malay voters. Likewise, in the 11th General Election, UMNO won 302

of the 505 State Assembly seats up for election in 2004. The 12th General Election will reflect the same dominating strength of UMNO and the National Front coalition, and it remains very unlikely that the National Front will win any less than 80 percent of the seats in Parliament and maintain control of all the state assemblies except Kelantan. Kelantan will remain the most heavily contested of the Malay majority areas (see below).

#### Ethnic Chinese

¶9. (SBU) One of the National Front's greatest challenges will come from dissatisfied Chinese voters. With 26 percent of the total population and outright majorities in many urban districts, Malaysia's ethnic Chinese population constitutes a sizable voting block. For 50 years the Malaysian Chinese Association (MCA) has been the largest ethnic Chinese party in the country and a faithful partner in the National Front coalition. Likewise, for nearly 40 years, the People's Movement Party (Gerakan) has attracted a sizable block of Chinese votes for the National Front coalition and held the reins of government in the State of Penang. However, leadership in both parties have publicly acknowledged growing Chinese voter dissatisfaction in the economic progress of the country and increasing perceptions of ethnic polarization in the country. A late December 2007 voter opinion survey by the Merdeka Center indicated that PM Abdullah's approval rating among ethnic Chinese stood at 42 percent, down from 62 percent in late 2006. Accordingly, both MCA and Gerakan leaders anticipate some loss of support at the polls. Nevertheless, because most Gerakan and MCA leaders are actually elected from districts with an ethnic-Malay majority, even a decline in support at the polls will have very little effect on the leadership of the National Front's largest Chinese parties. Years of gerrymandering have created few Chinese majority districts that actually challenge the dominance of the National Front's constituent parties, and while the opposition Democratic Action Party (DAP) stands to gain a few seats in both State Assemblies and in the federal Parliament as a result of this dissatisfaction, DAP's potential gains will not be significant enough to materially change the make up of government, either locally or nationally.

#### Ethnic Indians

¶10. (SBU) Although Malaysia's ethnic Indian community constitutes less than 8 percent of the population and is thus less influential than the Chinese minority, the National Front's Malaysian Indian Congress (MIC) also faces significant voter dissatisfaction, and internal divisions threaten the unity of the once fiercely loyal coalition partner. Following a year of highly publicized and emotionally charged issues surrounding the razing of Hindu temples and various court cases seen to be dragging Hindu families into Sharia courts, Indian dissatisfaction with the government peaked with a mass street demonstration on November 25 (ref A). A recent public opinion poll conducted by the Merdeka Center noted a dramatic 41 percent decline in Prime Minister Abdullah's approval rate among Malaysia's ethnic Indians following the Hindraf rally of November 25 (ref A), leaving only 38 percent of ethnic Indians approving of Abdullah's performance. Voices within MIC have called for

KUALA LUMP 00000090 004.2 OF 006

the party's president, Works Minister Samy Vellu, to step aside and end his 29 year grasp on the party. Samy has refused to step down, but voter dissatisfaction within the Indian community assures greater sympathy for opposition parties than ever before. Just as most Chinese leaders are elected from Malay-majority districts, Samy Vellu also holds his parliamentary seat from a Malay dominated district, and under the BN banner his election is all but guaranteed and no significant changes in MIC leadership are expected as a

result of the general election. Nevertheless, MIC faces a near certain loss of votes and such a weakened state could affect the outcome in closely contested districts where previous BN incumbents won with a less than 5 percent margin.

#### Battle for Kelantan

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¶11. (SBU) In the 2004 elections, Malaysia's ruling National Front won or controlled an overwhelming majority in 12 of the 13 State Assembly elections winning a total of 453 of the 505 State Assembly seats contested. (The National Front also won a dominant majority in the 14th state, Sarawak, in 2006). Only the State of Kelantan elected a non-BN state government.

In fact, the conservative Islamic Party of Malaysia (PAS) has controlled the State Assembly in Kelantan for 39 of the last 50 years. In this the 12th General Election, PAS once again presents the strongest challenge in Kelantan to a nation-wide dominance by the ruling National Front coalition.

National Front efforts to wrest Kelantan away from PAS have intensified over the past year with the announcement of new development projects, the establishment of the Northern Economic Corridor, and promises of new mosques to be built if the Kelantanese will elect a BN government. The Kelantan State Assembly currently consists of 23 PAS assembly members and 22 National Front members. The mere "one seat" majority has led National Front political leaders to conclude that this is the coalition's best opportunity to win back the state, and Prime Minister Abdullah's political machinery has promised to focus great efforts on capturing the state. Senior BN politicians from around the country have begun unofficial campaign stops in Kelantan over the past few months, and BN's political machinery is in high gear to win the hearts and minds of Malaysia's most opposition-minded state. Nevertheless, PAS spiritual leader Nik Abdul Aziz bin Nik Mat remains highly popular in Kelantan and has committed to seeking reelection to the State Assembly and another term as Chief Minister of Kelantan. Kelantan is definitely the state to watch.

#### Other States to Watch

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¶12. (SBU) Among the other states to watch in the 12th General Election are Penang, Perak, Terengganu and Sabah. These states represent traditional areas of support for opposition candidates and here the opposition parties stand to make their biggest gains. Chinese discontent mentioned above poses the biggest threat to the National Front's People's Movement Party (Gerakan) in Penang. Gerakan has held the Chief Minister office and controlled the State Assembly as the leading National Front party in Penang since ¶1969. Most significant in Penang will be the results of the State Assembly elections. In 2004 the National Front won 38 of 40 state seats, but only 8 of 13 parliamentary seats. Both DAP and PKR are heavily targeting Penang to try to increase the number of opposition members in the State Assembly, with DAP targeting the Chinese majority seats and PKR targeting the Malay majority seats. Similarly, Perak and Terengganu represent areas where opposition parties have historically captured higher numbers of state seats and are generally more receptive to opposition candidates for state and parliamentary seats. Sabah was under opposition control from 1985 to 1994, and Anwar Ibrahim's People's Justice Party (PKR) believes that many Sabahans would prefer to vote in another opposition government if given a viable chance. Accordingly, PKR has actively sought a foothold in the East Malaysian state, and while PKR's chance of winning a significant number of seats is doubtful, Sabah promises to be a point of focus for PKR. Sabah yielded neither state nor parliamentary seats to the opposition in 2004, so any gain is progress for the opposition.

#### The Anwar Factor and PKR

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¶13. (SBU) Former Deputy Prime Minister Anwar Ibrahim's ouster from power in 1998 and his 1999 conviction on politicized corruption charges spurred the "reformasi" movement that eventually saw his People's Justice Party (PKR or KeADILan) win five parliamentary seats in the 1999 general elections. As time passed and with Anwar still in prison, the party's popularity waned and only Anwar's wife, Wan Azizah Wan Ismail, was able to hold on to her parliamentary seat in the 11th General Election in 2004, and then only by a 500 vote margin. Anwar was released from prison in September 2004 and acquitted of the alleged sodomy charge, but federal election law excluded him from seeking political office for five years from the completion of his sentence for a previous conviction on corruption, thus dating back to April 2003. Accordingly, Anwar's exclusion period is set to end in April 2008, and it has long been held that Prime Minister Abdullah would call the elections prior to Anwar's eligibility to seek office. While on a larger scale Anwar and PKR pose little threat to the UMNO and National Front political machinery, most UMNO politicians see Anwar as a threat to the political status quo and as a possible challenge over the long term to the coalition's two-thirds majority in Parliament. Long held animosities towards Anwar, fomented by Malaysia's last Prime Minister, Mahathir Mohamad, and seconded by the national media, have remained a dominate force within UMNO, and there is no doubt that Anwar's eligibility influenced the date of the 12th General Election.

¶14. (SBU) The 12th General Election is, for all intents and purposes, Anwar's first test in national politics since his expulsion from UMNO and his release from prison. Despite his ineligibility to run for office, Anwar has proven he can draw sizable crowds to political rallies as well as to the polls. In the Ijok by-election of 2007 (ref B), Anwar proved that even against a well-oiled and heavily financed National Front campaign, he could attract a crowd and win some 40 percent of the popular vote for his PKR candidate. Nevertheless, in 2004 nearly 40 percent of the votes nation-wide went to the opposition without Anwar's assistance, so it remains unclear if Anwar will play a significant drawing-factor in the upcoming election. Anwar's near constant attacks on the country's BN leadership over corruption, judicial appointments and democratic reform have resonated in many quarters and promise to garner attention during the campaign phase of the election. Still, Anwar and PKR are basically starting from scratch as PKR won no state assembly seats in 2004 and only one parliamentary seat. 2008 will prove whether Anwar can remain relevant in Malaysian politics and whether PKR will go extinct.

#### Opposition Solidarity and Coordination

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¶15. (SBU) Despite Anwar's lingering ineligibility, his party, PKR, has worked closely with Malaysia's other two opposition parties, PAS and DAP, to coordinate an election strategy in which only one opposition candidate will face any single National Front candidate. The opposition parties have recognized that their only chance for success in the 12th General Election is by avoiding "three cornered fights". Although this cooperation is less formal than the "Alternative Front" coalition which the opposition parties entered into in 1999, the basic tenet remains the same-- unseat as many National Front candidates as is possible under the current electoral system. While most opposition leaders are optimistic of some level of success compared to the 11th General Election, few are confident enough to predict the opposition's ability to break the National Front's two-thirds majority in Parliament. In fact, the opposition parties would need a 400 percent increase in parliamentary seats to capture the 75 seats necessary to break the National Front's super majority in parliament-- a feat no observers deem possible in the current political climate. The last and only time the opposition broke the two-thirds majority was in the 3rd General Election of 1969-- the election that precipitated

Malaysia's worst racial violence in its short history. In that year the opposition won an outright majority of the popular vote (50.7 percent), but still captured only 34 percent of the seats in Parliament. In 1990 the opposition captured 46.6 percent of the popular vote but only 29 percent of the seats in Parliament. Malaysia's electoral system simply is not designed to allow the ruling coalition to lose control of the government.

Comment

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KUALA LUMP 00000090 006.2 OF 006

¶16. (C) Beyond the National Front's appeal to voters, political gerrymandering, control over the mainstream media, and the financial and institutional power of 50 years of incumbency will ensure the National Front's success at the ballot box even in the face of increased opposition votes. Although Malay urbanization is slowly changing historical inequities, Malaysia's disproportionate allocation of parliamentary seats favors Malay majority regions with more parliamentary seats in the rural areas than minority dominated urban areas. Coupled with its first-past-the-post electoral system, these political machinations create an electoral environment in which it is possible that, as shown in the 11th General Election, the opposition can win almost 40 percent of the popular vote nation-wide and still win less than 10 percent of the total seats in parliament.

¶17. (C) The significance of the 12th General Election does not rest with the widely anticipated victory of UMNO and the National Front, but its implications for Prime Minister Abdullah's strength as a government and UMNO party leader in a second term, and the future viability of Malaysia's inter-ethnic status quo. The national election results set the stage for UMNO's critical internal party elections, which could be held in the last quarter of 2008. While some slippage of BN's margins is widely expected, the greater the opposition gains the more criticism and challenge Abdullah will face from within UMNO. An embattled Prime Minister, or one perceived as having only tepid support, will have a more difficult time pushing reforms or significant new policies. The results of the state election in Kelantan could prove a boost to Abdullah if UMNO is able to wrest the state away from PAS. Such a win would represent the first time since 1994 that the National Front would control all 14 state governments -- a tangible measure of success for Abdullah.

¶18. (C) The national election also will be significant for the signals it sends as to the future viability of the National Front's multi-racial alliance and the country's long heralded "social contract," given that Chinese and Indian discontent appears to have reached a high water mark, unseen since 1969. If such fractures widen over the longer-term, they will threaten the country's status quo politics, and force Malaysian politicians to reexamine seriously the political formula that has been in place since independence. In the short term, however, the National Front's expected triumph will offer more continuity than change to Malaysia.

KEITH